Southeast Workforce Investment Area
RETAIL TRADE ANALYSIS

Retail Pull Factors

Retail trade is the sale and distribution of merchandise to consumers through either a store location or non-store location such as internet, phone, catalog or advertising.

Retail trade is one of the key economic indicators of regional economies. The retail strength of a county is a function of customer base served, the buying power of the customer base and quality of the retail environment. Retail pull factor measures the retail sales captured by a county across Missouri.

In 2007, two counties in the Southeast Workforce Investment Area had a retail trade pull factor greater than 1 indicating either a gain in customers from other counties or that residents spent more than the state average. On the contrary, 11 counties had a pull factor below 1 indicating residents either spent less than their state counterparts or residents purchased more goods outside their county.

Retail Trade Sectors
- Apparel and Accessories
- Automotive dealers
- Gasoline service stations
- Building materials,
- Hardware and garden supplies
- Eating and Drinking Places
- Home furniture and furnishings
- Food
- General Merchandise
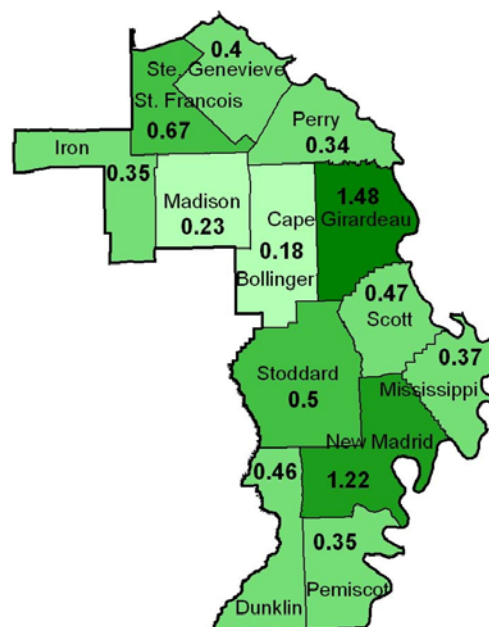- Miscellaneous retail

Retail Industry Facts

Employment

18,665

Number of Industries

1,366

Average Wage

$19,923

2007 Retail Trade Pull Factor

Retail trade has been particularly strong in counties along major interstate highways. Cape Girardeau County had the highest pull factor (1.48), followed by New Madrid (1.22) and St. Francois (0.67).

Conversely, 11 counties lost retail customers. The counties that lost customers or spent less than the state average were located in the regions surrounding the regional trade centers. Bollinger County had the lowest pull factor (0.18), followed by Madison (0.23) and Perry (0.34).

Cape Girardeau County captured the most retail sales and gained the most retail customers, besides holding the highest market share. Overall, retail customers in Southeast region spent more than $1.9 billion in retail purchases in 2007, capturing 4.27% of the market share in Missouri. The retail sales pull factor rankings for the counties in Southeast region are as follows:

Retail Sales, Pull Factor, Trade Area Capture (TAC) and Market Share (MS) – Southeast WIA Region, 2007

| COUNTY	CTPF	TAC	MS	RETAIL SALES
CAPE GIRARDEAU COUNTY	1.48	105,586	1.82%	823,500,492
NEW MADRID COUNTY	1.22	21,281	0.37%	165,982,194
ST FRANCOIS COUNTY	0.67	39,485	0.68%	307,961,848
STODDARD COUNTY	0.50	14,624	0.25%	114,059,389
SCOTT COUNTY	0.47	18,773	0.32%	146,420,920
DUNKLIN COUNTY	0.46	14,181	0.25%	110,603,790
STE GENEVIEVE COUNTY	0.40	6,973	0.12%	54,385,742
MISSISSIPPI COUNTY	0.37	4,993	0.09%	38,940,919
PEMISCOT COUNTY	0.35	6,545	0.11%	51,049,058
IRON COUNTY	0.35	3,424	0.06%	26,706,172
PERRY COUNTY	0.34	6,264	0.11%	48,856,963
MADISON COUNTY	0.23	2,705	0.05%	21,096,046
BOLLINGER COUNTY	0.18	2,188	0.04%	17,067,144
Southeast WIA Total		**247,024**	**4.27%**	**1,926,630,678**

In 2007, in terms of percentage of retail sales by industry, a majority of retail sales were in the general merchandise sector (25%), followed by food (22%), eating and drinking (17%), miscellaneous retail (13%), and furniture (9%). Building materials, automotive dealers and apparel accounted for the balance of retail sales (14%) in the Southeast region.

**Percent Retail Sales in Southeast WIA Region by Detailed Industry, 2007**
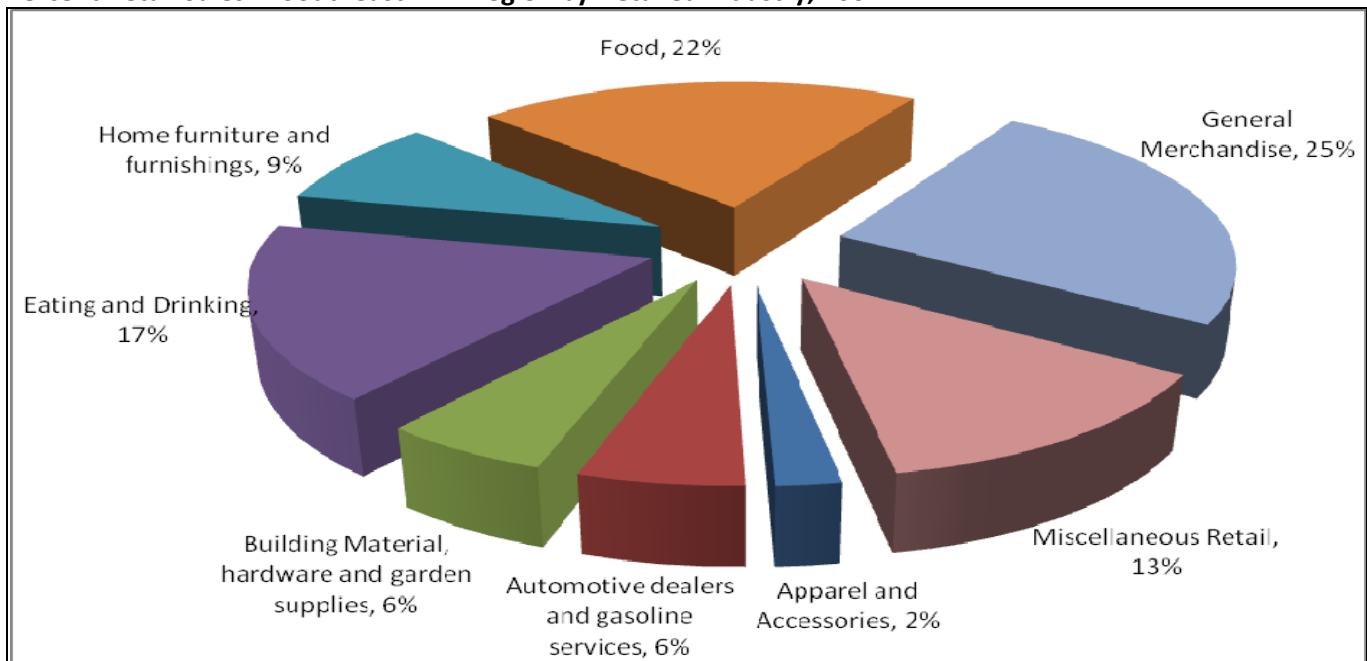
In terms of retail sales trends, the greatest increase in seven years was in general merchandise, and the steepest decline was in miscellaneous retail sectors. Consumer spending on food away from home, and furniture increased. Retail expenditure on apparel, building materials, automotive and food declined over the years.

Comparison of Taxable Sales by Detailed Industry in Southeast WIA Region, 2000, 2004 and 2007
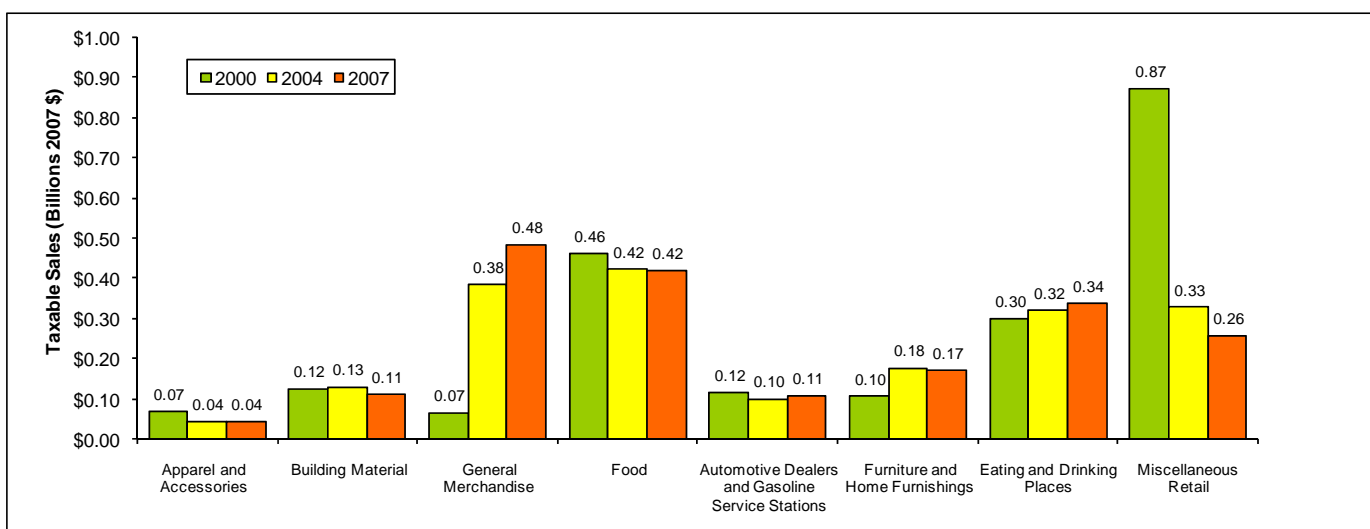
Missouri Sales Tax Rates
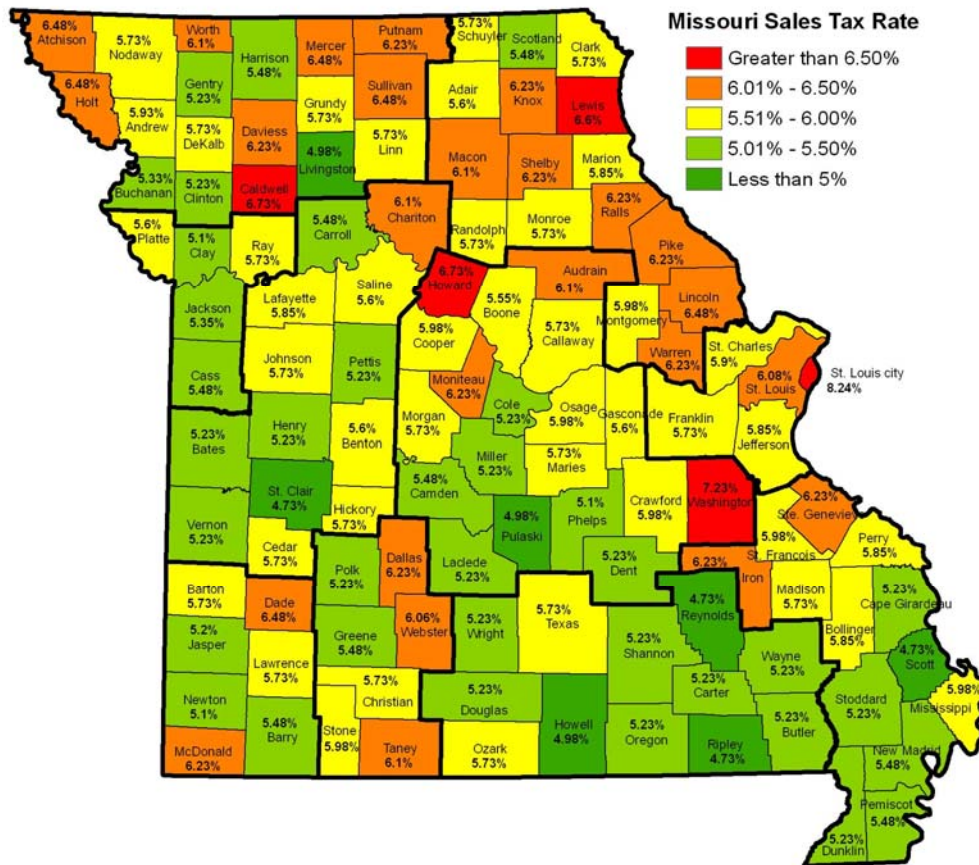
The map above presents the combined state and county sales tax rate excluding the local sales taxes. Sales tax rates in Missouri range from 4.73% to 8.24%. Within the Southeast region, Iron County has the highest sales tax rate (6.23%) followed by Ste Genevieve (6.23%) and Mississippi (5.98%).

On the contrary, Scott County has the lowest sales tax rate (4.73%), followed by Stoddard, Dunklin at Cape Girardeau at 5.23% and Pemiscot and New Madrid at 5.48%. Lower sales taxes may attract retail customers as evident in counties like Cape Girardeau.
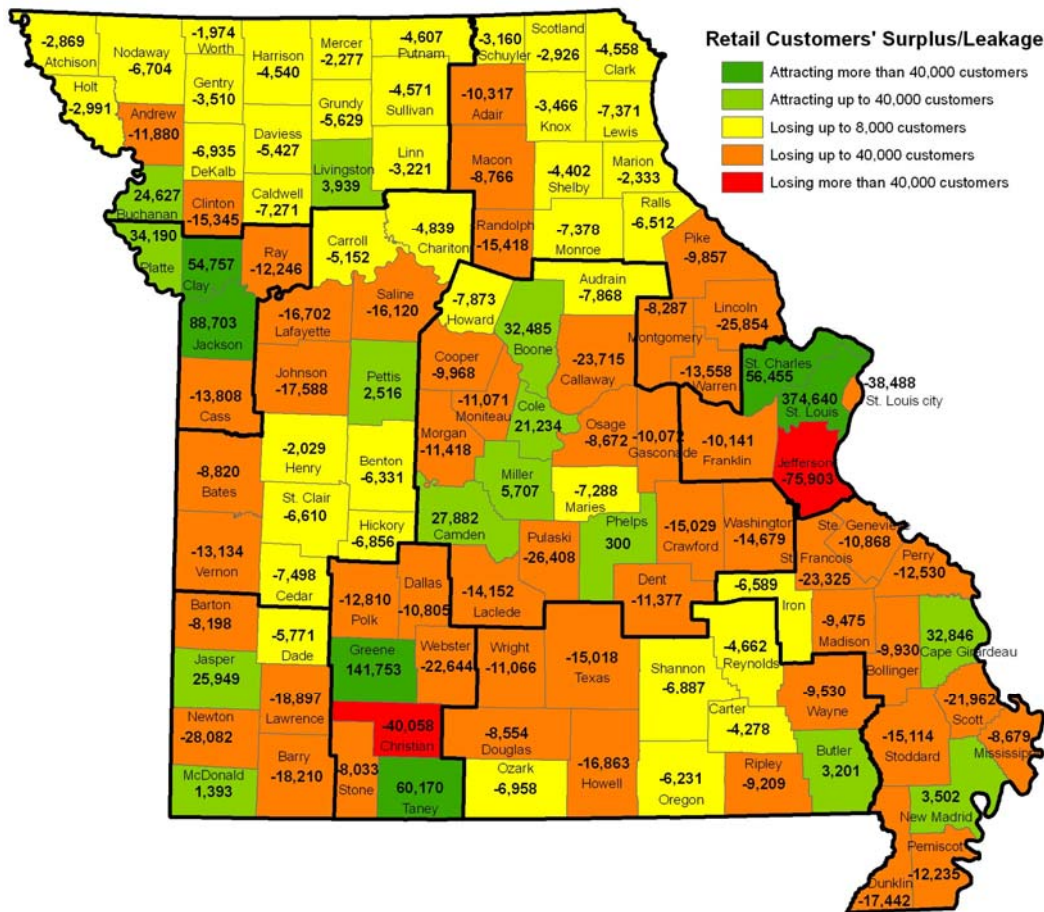
The average sales tax rate for Missouri is 5.72%. Seven counties in the Southeast region have a retail sales tax rate above the state average and six counties have a sales tax rate below the state average.

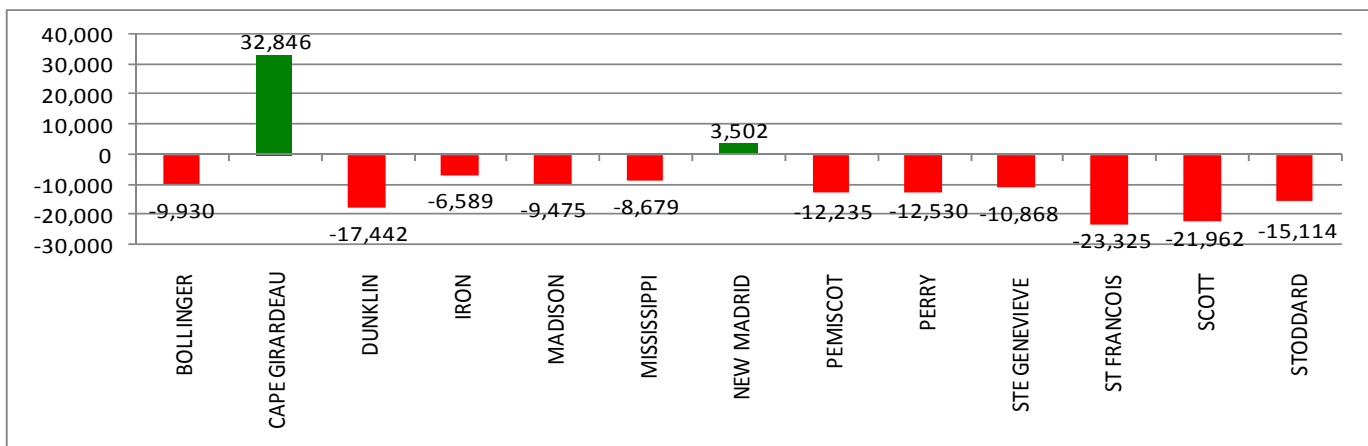| COUNTY	SALES TAX
IRON	6.23%
STE GENEVIEVE	6.23%
MISSISSIPPI	5.98%
ST FRANCOIS	5.98%
BOLLINGER	5.85%
PERRY	5.85%
MADISON	5.73%
NEW MADRID	5.48%
PEMISCOT	5.48%
CAPE GIRARDEAU	5.23%
DUNKLIN	5.23%
STODDARD	5.23%
SCOTT	4.73%

Source: Missouri Department of Revenue – Sales Tax Rate Tables

Commuting Patterns of Retail Customers

Retail Customers' Surplus/Leakage

- Attracting more than 40,000 customers
- Attracting up to 40,000 customers
- Losing up to 8,000 customers
- Losing up to 40,000 customers
- Losing more than 40,000 customers
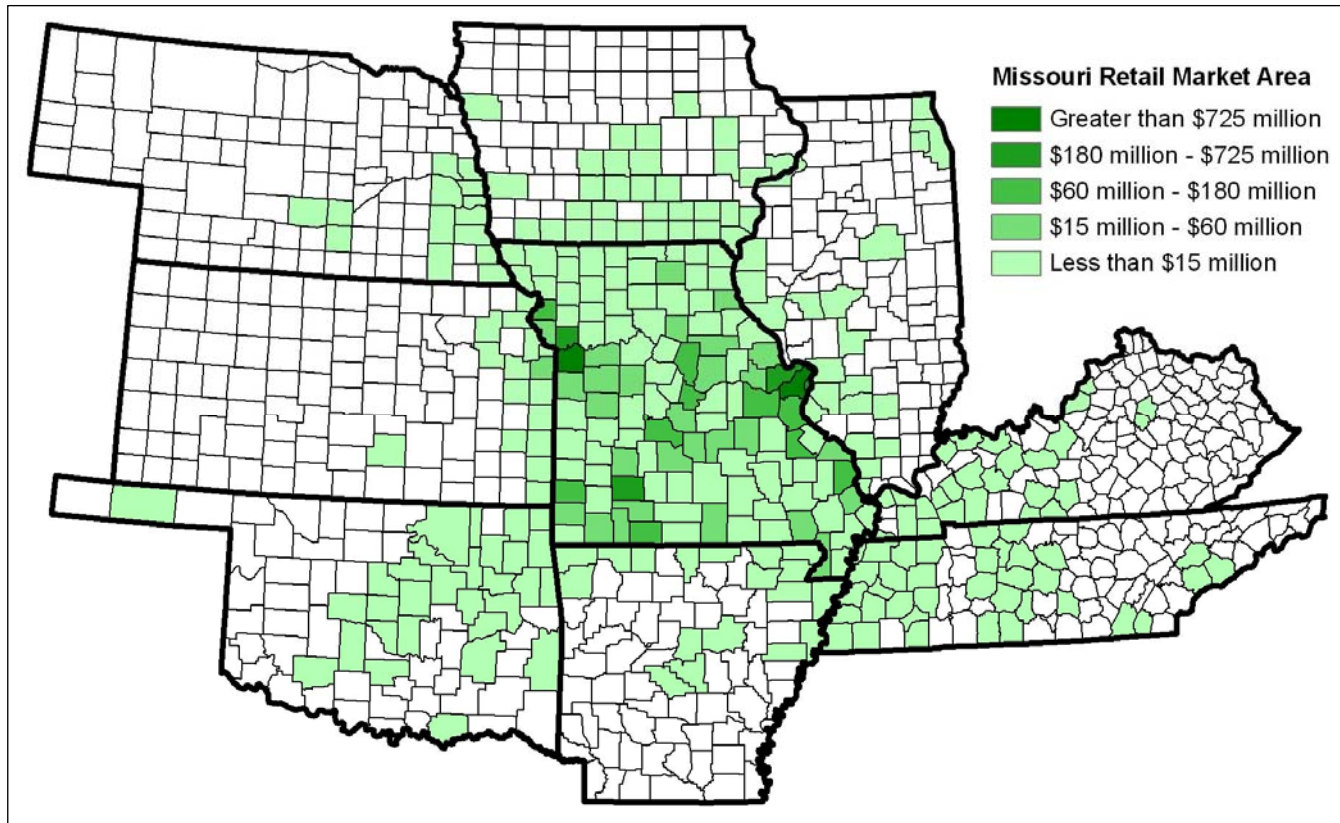
Retail customers travel across county borders to purchase goods and services. The map above illustrates the number of retail customers either coming in to a county or leaving a county for retail purchases. In the Southeast region as shown in the graph below, Cape Girardeau and New Madrid displayed a net in-commuting pattern whereas all the other counties display a net out-commuting pattern.

Buying Power Index

The buying power index is a measure of the capability of the retail customers living in that county to buy retail goods. The higher the index, the greater the ability to buy retail goods and support retail activity in the region. In Southeast region, the buying power of retail customers in Cape Girardeau is relatively higher than the rest of the counties in the region. The buying power of retail customers in Iron, St. Francois, Bollinger and Mississippi is relatively lower than the rest of the counties in the region.

The buying power index is calculated by the following equation:

BPI = (2* Population %) + (3*Retail Sales %) + (5*Per capita income %)
                    10 (sum of the weights)

Where Population % is the percentage of county population to that of the State of Missouri.
Retail Sales % is the percentage of retail sales in the county to that of the State of Missouri.
Per capita income % is the percentage of per capita income in the county to that of the State of Missouri

Retail Market Area

Missouri Retail Market Area

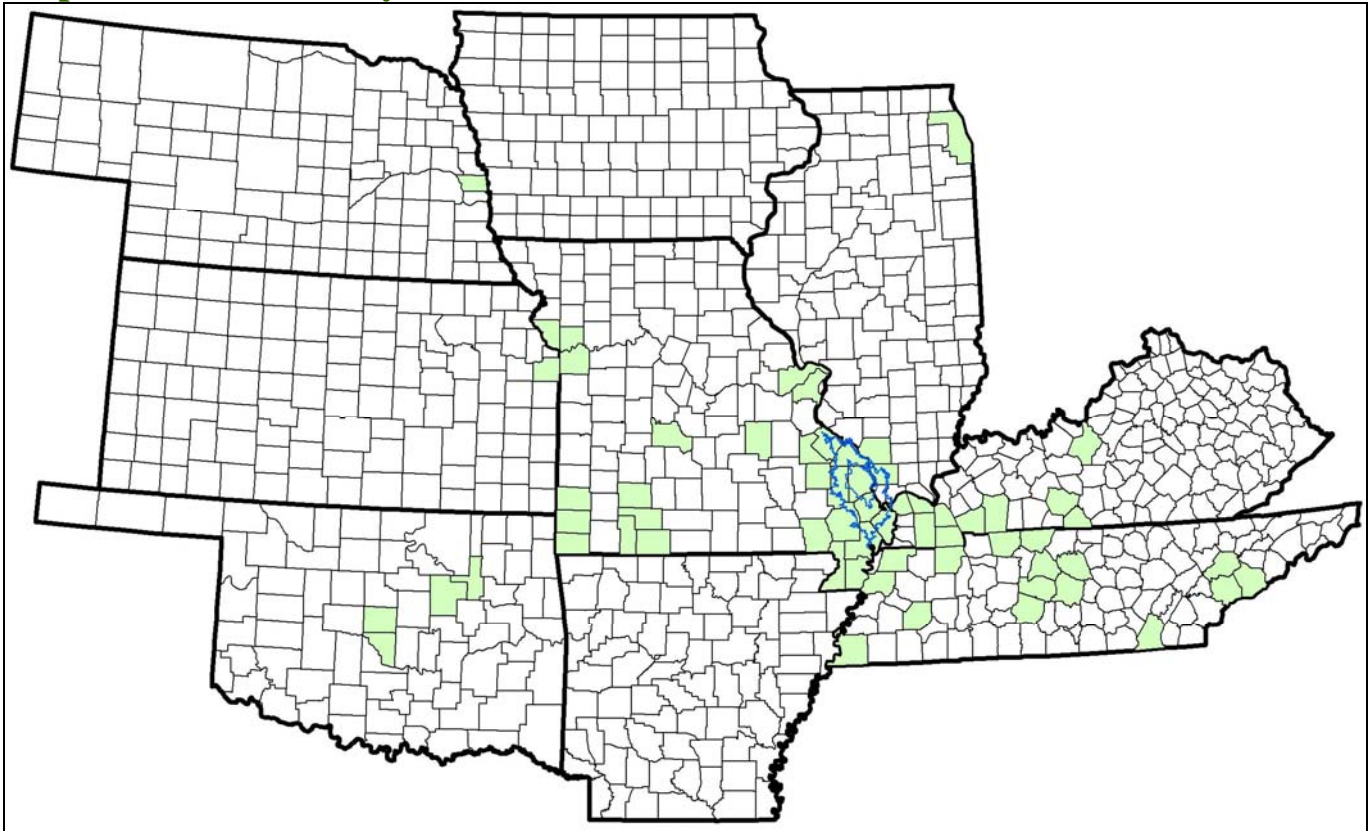Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

The map above shows the Missouri retail market area from which retail stores and consumers purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Missouri retail customers purchased over $5.8 billion in apparel, furniture, general merchandise and miscellaneous retail goods. The Missouri retail market includes all of Missouri and extends to all surrounding states. The volume and value of purchases by major metropolitan areas like Kansas City, St. Louis, Springfield, and St. Joseph were relatively higher than the rest of Missouri.

While the market area for general merchandise and miscellaneous retail was relatively widespread, the market area for apparel and furniture was relatively limited.

Within the Southeast region, a majority of Missouri retail goods were purchased by retail stores and consumers in Cape Girardeau, New Madrid and St. Francois Counties.

Cape Girardeau County Retail Market Area

Source: Minnesota IMPLAN Group, Commodity Trade Flows, 2006.

Cape Girardeau County has the highest pull factor in the Southeast region. The map above shows the retail market area for Cape Girardeau County from which retail customers and stores purchase apparel, furniture, general merchandise and miscellaneous retail goods.

In 2007, Cape Girardeau County retail customers predominantly resided in Cape Girardeau, Ste Genevieve, Perry, Bollinger, Scott, Mississippi, New Madrid and Stoddard Counties. The blue boundary indicates the local market from which customers purchase retail goods and services within an hour of driving distance from Jackson.